

Eurasia 2020 Global Trends 2020 Regional Report

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The Eurasia workshop for the National Intelligence Council's *Global Trends 2020* report took place in Budapest, Hungary on April 25 to 27, 2004. The workshop gathered 21 participants from seven countries, in addition to representatives from the National Intelligence Council and the sponsoring institutions. The summary below represents discussions that took place during the workshop and background papers prepared in advance. It is not meant to cover all points raised, but to capture the main themes that emerged during the course of the workshop. It should be stressed also that the analysis presented here does not necessarily represent the views of all participants. The goal is to present the main findings, not to summarize the content of all workshop sessions.

The workshop was structured so that initial discussions focused on sources of change in Eurasia over the next fifteen years. The findings of these discussions were then assembled in patterns that constitute potential scenarios for the future.

Drivers

In scenario-building exercises, a 'driver' is an underlying force that is variable and can lead to systemic change. Driver categories are necessarily broad, such as demography, natural resources, or the environment. During the course of discussion the focus on drivers narrows. For example, the demographic driver is transformed into more specific themes, such as the impact of dramatic changes in population or large-scale immigration on the economy and society. Driver discussions, particularly the interaction of drivers, form the foundation of the scenario-building exercise that follows. As such, the scenario building exercise is a bottom-up process.

Driver One: Economics and Natural Resources

One of the critical drivers of change in Eurasia will be the region's economy. For Russia, the most important economic issue will be the tension between **resource dependence** and **economic diversification**. Through 2020, resource extraction will remain an important part of Russia's economy. Russia is a world leader in terms of resource extraction, particularly in the energy sector.

- Estimates of Russian **oil reserves** vary from 50 billion barrels (BP) to 87 billion (World Bank) to 115 billion (Russian Ministry of Natural Resources).
- Russia's total proved **gas reserves** in Eastern Siberia and the Far East amount to 45 trillion cubic meters, which translates into 75 years of extraction. However, proved reserves are estimated to be only one-fifth of all available gas reserves in Russia. Russia will continue to be a major producer and exporter (currently, Russia delivers gas to every fourth European customer).

Russia is endowed with significant reserves of other critical resources and remains a world leader in areas including **fresh water**, **arable land**, and **forestland**.

The key economic challenge facing Russia from now through 2020 is whether it can move beyond resource extraction and make the necessary structural changes in order to diversify the economy, take advantage of Russia's human capital, and become more integrated into the world economy. The failure to diversify the economy could well lead to the petro-state phenomenon of **underdevelopment**, huge **income inequality**, **capital flight**, and **social tensions**. In this context, economic development and growth through 2020 are integrally interlinked with **effective governance structures**. This refers not so much to liberal democracy but to an **efficient bureaucracy**, **predictable and evenly enforced rules and regulations**, **the rule of law** and other factors, such as **tax policies**, that can stabilize the business climate in the country and allow for an alternative to resource-dependent economic growth. Reforms in these areas can encourage **foreign direct investment** outside of the energy sector and allow Russia to take greater advantage of its proximity to Europe and Asia. Reform of state structures, rather than state-directed economic strategies, is likely to lead to economic diversification, long-term

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growth, and higher standards of living. Cooperation with other world regions, such as Europe and Asia, could allow Russia to take advantage of natural strengths it has in certain areas of science and technology and help its economic profile to grow beyond natural resources and arms sales.

While resource wealth is sometimes seen as a potential impediment to structural reform, the view of participants was that given the time frame of this study, the relatively weak economic position in which Russia currently finds itself, and Russia's current political and social structures, reasonably high commodity prices are important preconditions for structural reform. Reform is far more likely to occur over the next 15 years under conditions of relative prosperity than as a response to a **resource shock**. The collapse of commodity prices and the accompanying economic dislocation it would cause could severely hinder economic diversification and growth, and could gut the emerging middle class. It could also turn the population, which is adapting to current conditions, away from the free market and its vagaries. Conversely, the steadily growing **middle and entrepreneurial classes**, and the emergence of highly skilled **business managers**, which are in part a byproduct of current conditions, are likely, over time, to make demands on government that will facilitate diversification and create a foundation for long-term growth. In other words, tensions between resource-based industries and other sectors (the Military Industrial Complex, the IT sector etc.) can drive needed reforms.

Russia's growth, and growth within the entire former Soviet space, will be regionally uneven and will reflect different levels of resources and investment. For other resource-rich countries in Eurasia, particularly in Central Asia (Kazakhstan, Turkmenistan) and the Caucasus (Azerbaijan), there is less optimism about the potential for significant economic diversification over the next 15 years. Kazakhstan has the best prospects in this regard and may prove the exception. The countries will continue to rely on **resource extraction** and suffer the economic and social impacts of **skewed wealth distribution** and **severe economic inequality**. All countries of Central Asia are likely to be challenged by the twin pressures of **growing population** on the one hand, and a **lack of arable land** and **water resources** on the other.

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For countries with more limited supplies of natural resources, such as Ukraine and Georgia, Kyrgyzstan, Tajikistan and Uzbekistan, the challenge will be to develop effective production and service industries. While the countries might benefit from the need to be entrepreneurial, such development is very challenging and would require a significant modification of governance structures, leading to more efficiency and greater predictability. Changes are more likely to be inspired by exogenous sources, such as the potential for (even limited) membership in the European Union. While participants believed that full membership in the European Union was highly unlikely by 2020, it was noted that lesser forms of association under the rubric of flexible geometry were possible within the time frame of the study. (This belief was shared by participants of the National Intelligence Council's Europe workshop.) Resource-poor countries could also benefit greatly from the spillover effect of a dynamic and growing Russian economy, and could cooperate with Russia on development of transportation corridors for energy supplies.

Another issue that might have a significant impact on economic growth is **demography**. The decline in population in Russia and the corresponding population increase in Central Asia (see Driver Two) could have significant economic consequences. Related to this, and critical for countries of Western Eurasia (Russia, Ukraine, Belarus), is the issue of **brain drain**. A key question is whether these countries can reverse trends from the past fifteen years and retain well-trained workers, or even convince emigrants to return 'home'. As Europe's population declines, this challenge might grow more acute. The economic and demographic challenges can also be negatively impacted by **environmental degradation**, which has been accelerated by the current high rates of 'dirty' resource extraction. Were Russia to integrate more into the world economy and enter into international regimes, such as the **World Trade Organization** and the **Kyoto protocols**, it would face pressure to address underlying environmental issues which could dampen growth initially, but which might avoid worse difficulties in the future.

Driver Two: Demography and Health

Russia is clearly facing a **demographic crisis**. If current rates continue, Russia will lose approximately one million people a year through 2020, leaving it with a population of around 130 million people, less if more pessimistic scenarios are realized. If current trends in terms of low birth rate and short life expectancy continue, Russia could have a population as low as 86 million by 2050. The potential growth of **HIV/AIDS**, for which there are not currently reliable statistics, and **drug resistant tuberculosis**, which is currently found primarily in the prison population, could exacerbate already difficult circumstances. The demographic decline poses challenges for the economy, because of a potential shortage of available labor, for the **armed forces**, which faces an ever-decreasing pool from which to conscript troops, and for **national identity**, because one of the primary means through which to address the demographic crisis is through immigration. One of the primary challenges for political leaders will be to recognize the degree of the crisis and to create a rational **immigration policy**. Expanded immigration policies are likely to be met with opposition from nationalist politicians, who could attempt to exploit the issue to mobilize support. Due to **high population growth rates in Central Asia**, particularly in Uzbekistan, this region could be one of the main sources of potential immigrants to Russia. **China is another potential source of workers**, but managing such immigration will be extremely challenging and could create acute social tensions and potentially tensions with China itself. Moreover, the rate of Chinese immigration remains relatively low at this point, with Chinese preferring to develop business relationships rather than settling in Russia permanently. The potential to attract ethnic Russians from the 'near abroad' is not sufficient to address likely needs. Moreover, Ukraine and Kazakhstan, which have been significant net 'donors' to Russia in terms of migration, might become sources of competition. Finally, Russia will continue to face a challenge of **brain drain** of its highly skilled and mobile population which itself is attracted to work in Europe, North America, Australia, Israel, and beyond.

The challenge in **Central Asia** will be different. The population is increasing significantly in most of the countries. Political leaders will face challenges of keeping social peace in a context of **high population growth in a relatively young population**

with **limited economic prospects**. The social and political consequences of this growth, barring an outlet for the young population in Russia and countries of Western Eurasia, could be severe.

Driver Three: Social and Ethnic Identity, Federalism and Regionalism

Russia's emergence from the former Soviet Union is characterized by a larger degree of ethnic homogeneity, a centralized unitary state, and weakening elements of federalism. Russian, as opposed to Soviet, identity has strengthened and overlaps often with local and regional identities. As generations change over the next fifteen years, Russian identity is likely to continue to strengthen. However, due to Russia's size and its regions' demographic, economic, religious, and social differences, **regional identities will persist in spite of centralization**. While they will often complement Russian national identity, there remains the potential for significant tension.

As far as Russian federalism is concerned, it appears likely that **Russia will continue to have weak regions and a strong central state**. It is a strong possibility that Russia will have fewer federal units than its current 89 regions, 22 of which are associated with titularly recognized ethnic nationalities.

Ethnic unrest could result from changes in federalism if such changes are instituted without consideration of local interests. Areas that are particularly susceptible include the **northern Caucasus, Tatarstan and Yakutia**. Unrest in the northern Caucasus, including the difficulties in **Chechnya, Dagestan and Ingushetia**, may prove insoluble and could persist in one form or another through 2020. Another potential source of ethnic relates to **xenophobia** which can emerge in large urban areas and areas of high migration. There is also the potential for aggressive **nationalist politicians using anti-Western rhetoric** to sharpen tensions with **Europe** and the **United States**. Russian relations with **China** could likewise be subject to difficulties should Chinese migration expand and become more permanent, creating a potential backlash.

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Social and ethnic tensions might also develop in Central Asia, where approaches to Islam can be a key source of tension. For example, Kyrgyzstan has a more ‘Westernized’ North and an ‘Islamicist’ South, where more **exclusivist approaches to Islam** thrive. Economic difficulties, a **youth population bulge**, **developments in the Middle East**, and the presence of **American military bases** could exacerbate ethnic and religious tensions.

Countries in Western Eurasia will continue to balance between the pull of Russia and the West. Ukraine will likely continue to seek admission to **NATO** and the **European Union**. Georgia and Moldova are likely to do the same or at least maintain their orientation in that direction (with Moldova attempting to benefit from a European Romania). Russia could either stand in the way, creating economic roadblocks or fomenting social and ethnic tensions in some of these countries, or, it could choose to pursue special relationships with Europe and NATO for itself. Some form of formal association with Europe, including a lesser form of membership under the general rubric of ‘flexible geometry,’ and an increased role in NATO are not precluded. Full membership in the European Union is highly unlikely. Alternatively, greater political and economic integration might occur in the former Soviet space, led by Russia, Kazakhstan and Belarus, and an inward looking turn could take place. If the door to Western institutions is slammed on countries of Western Eurasia, the reconsolidation of former Soviet space becomes more likely.

Driver Four: Science, Technology and the Military

Russia is the only country in the former Soviet space that is likely to be an important player with a worldwide impact in terms of **scientific and technological developments**, although there is some potential for Ukraine and Kazakhstan. Russia will preserve its position as a developer of **systems technologies** in areas such as **rocket and space technology**, **nuclear energy**, **military aviation**, **computer programming**, and some **information technology (IT)** areas. It is unlikely that Russia would become a major producer outside of the military sphere, but its strength in certain areas could place it in a position to cooperate with Europe in competition with the United States. Russian

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economic diversification could create a demand for new technologies, but in the time frame of this study such indigenous sources of demand for innovation are likely to be limited.

Russia's military will continue to be focused on protecting the homeland. It will be **limited in terms of its capacity to project force** and to control the high seas. The military will be challenged by a combination of demographic decline, which will affect its capacity to draft and/or recruit troops, and the relative backwardness of its military technology. Given the challenges, Russia may attempt to make the transition to a **professional army**. The growth of Russia's military sales abroad and the potential of a scientific and technological 'leap forward' exist and may inspire innovation, particularly toward the end of the period to 2020. However, it is likely that Russian scientific and technological development in the military sphere will mostly be reactive and that Russia will continue to lag in terms of its capabilities in the '**new generation of warfare**,' particularly vis-à-vis the United States. Russia might also continue to face a tremendous challenge in terms of its capacity to combat untraditional enemies who use asymmetrical warfare. Under certain circumstances, such as a growing threat from radical Islam, or a major terrorist attack, the need to develop '**non-traditional warfare**' could lead to increased cooperation between Russia, the United States, and Europe.

Other Drivers

Two other drivers emerged in discussion that, while they are intertwined in the analysis presented above, are worth singling out in their own right:

- **Governance** plays a central role in terms of the capacity of countries to respond to new political and social challenges at home and threats from abroad. Governance also is critical to the creation of stable and predictable conditions necessary for economic growth. Administrative reform and sound policies can encourage, or at least remove impediments to, investment. In some countries there may also be fundamental changes in the political system (such as Ukraine, which

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could shift to a parliamentary form of government) that can have tremendous long-term impacts.

- **Membership in international organizations**, including the **European Union**, **NATO** and the **WTO**, could inspire reforms through, for example, the necessity of complying with the *acquis communautaire* or rules concerning energy prices. Membership of certain countries could also create backlash. Moreover, the definitive **denial of potential membership** could have substantial consequences for individual countries and could alter regional dynamics.
- **Developments in China** will have a significant impact on Eurasia. **Economically**, if strong growth continues in China it will create a huge demand for Russian natural resources and keep prices high. Conversely, a collapse in the Chinese economy could undercut Russian economic development and dampen prices of natural resources. **Demographically**, China's large population makes it an obvious source for labor, given Russian needs. Should there be a large influx of ethnic Chinese into Russia, however, their presence could be a source of social tension and lead to strains between the two countries. In **foreign policy**, should tensions between China and the United States escalate, Russia is likely to sit on the sidelines and attempt to benefit where it can from, for example, arms sales. However, if China becomes **aggressively nationalistic**, it could push Russia and the United States closer together. Finally, **China's role in Central Asia** has yet to be defined. China could serve as a strong counterweight to Russia and the United States in the region. It could also ally with the United States and Russia to attempt to quell tensions should destabilization occur or should radical Islam spread.

Regional Variations

Perhaps the greatest challenge in the workshop was to develop scenarios that could account for developments in what are now 12 distinct countries in former Soviet space (the Baltic countries were not included in the workshop). Russia, because of its size, strength, and resources, was the primary focus of discussion, and was viewed to be critical to developments of the region as a whole (in fact Russia can be considered a driver for the rest of the region). At the same time, it should be acknowledged that

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distinct regional developments could occur under very different circumstances and regardless of the trajectory of Russia. For example, Ukraine's path to the European Union (on however limited a basis) is far more dependent upon developments within the EU and Ukraine than developments in Moscow. Conversely, factors from outside of Russia might have a tremendous impact on Russian developments. A failed state in Central Asia or NATO enlargement to Georgia and Ukraine are wildcards that produce change.

Below are some of the main factors that will determine change in the individual countries and regions and questions raised by them:

Russia

- **Effective governance:** Can Russia create functioning democratic institutions and can it accept more robust political competition? Even if Russia does not develop into a liberal democracy, can the Russian government create stable, predictable and functioning political institutions and develop the rule of law? Can local governments develop sufficiently to promote regional growth and quell potential sources of social and ethnic tension?
- **Economic diversification:** Will Russia prove capable of shifting from an economy based on resource extraction and to one with significant service and manufacturing components? Can Russian business harness more effectively Russia's scientific and technical potential?
- **Demography and immigration:** Will the government institute a more immigrant-friendly policy? Can Russia absorb immigrants without excessive social disruption?
- **Ethnic Tensions:** Can the Russian identity limit xenophobic elements and can it continue to coexist with regional identities, particularly if there is a shift in federal structures? Will Russia shift to an isolationist path or will it remain engaged with the outer world?
- **Border stability:** How would Russia respond to a failed state in Central Asia, the spreading of the conflict in Chechnya, or tension with China over immigration?

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- **Military:** Can Russia effectively modernize its military without draining excessive resources from areas in desperate need of investment, including infrastructure?

Ukraine/Belarus/Moldova plus Caucasus

- **Governance Structures:** Will more democratic and effective governance structures emerge? Will there be dramatic shifts in governments that are currently more authoritarian (Belarus) or democratic (Georgia)?
- **International Institutions:** How will admission to, or rejection from, important international institutions, particularly the European Union and NATO, influence political, social and economic reform?
- **Economic Development and Relations with Russia:** Most of the countries will remain dependent on Russia for natural resources. Can resource-poor countries prove sufficiently entrepreneurial to spur long-term economic growth? Can they depend on Russia for resources and develop economic relations without falling prey to Russia's economic might?
- **Identity:** To what extent can the countries develop a Western/European identity or will their identity be rooted in former Soviet space?

Central Asia

- **Governance/Succession:** A number of the authoritarian leaders of the region may leave their positions due to age or other pressures by 2020. Will succession processes create significant ruptures? Will any of the states collapse? Will the younger generation, which is currently shut out of power opportunities, have new opportunities?
- **Demography:** Can the Central Asia countries that are undergoing a huge population explosion accommodate the growing young population? Will migration to neighboring countries, particularly Russia, be feasible?
- **Economy:** Can countries of the region that are energy rich, such as Kazakhstan and Turkmenistan, attract foreign investment? Can they adjust to a reduction in commodity prices?

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- **Resources/Environment:** Can Central Asian countries feed and provide water for their population? How will dependence on Russia for critical resources affect their autonomy?
- **Social Tensions:** Given current demographic trends, corrupt governance, and economic difficulties, will radical Islamic fundamentalism develop as a growing outlet for social discontent?

Scenarios

One of the primary goals of the *Global Trends 2020* project is to develop scenarios for the Eurasian region for 2020. Scenarios are not projections, predictions, or preferences but plausible, internally coherent illustrations of the future. Scenario building is an approach designed to stimulate questions, widen perspectives, and explore uncertain aspects of the future. As the authors of the *Scenarios Europe 2010* argued:

Illustrating the future by means of scenarios is a way to overcome human beings' innate resistance to change. Scenarios can thus open mental horizons that allow the individual to accept and understand change, and so be able to shape the world. Scenarios may help seizing new opportunities ahead as well as avoiding undesirable effects of misconceived action.¹

Scenarios are designed to take policy-makers out of the present and to allow them to confront conventional assumptions about the future. Scenarios may also provide policy-makers with early warning of troublesome trends that could impact regional or global stability, or alert them to opportunities for constructive engagement.²

Scenario One: Economic Prosperity and Political Stability

Russia prospers. Russia remains a leading world supplier of natural resources, particularly in the energy field. Energy prices remain relatively high and stable. Due to an evolutionary improvement in governance, the decline in corruption, and the growth of

¹ *Scenarios Europe 2010: Five Possible Futures for Europe*, Gilles Bertrand, Anna Michalski, and Lucio R. Pench eds., Working Paper, July 1999, p. 10.

² *Scenarios Europe 2010: Five Possible Futures for Europe*, Gilles Bertrand, Anna Michalski, and Lucio R. Pench eds., Working Paper, July 1999, pp. 9-10.

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effective, stable and predictable institutions, Russia is able to diversify its economy beyond the extraction of natural resources and into areas of manufacturing and service. In cooperation with European countries its intellectual capital is tapped to produce new goods based on scientific breakthroughs. Foreign direct investment in Russia grows. There is a more equitable distribution of wealth and a growth in Russia's middle class. An increasing number of decision-makers in government and business emerge whose formative years occurred during Russia's transition from totalitarian rule, and who are sympathetic to more transparent and predictable structures of governance. The huge demographic challenge facing Russia is somewhat ameliorated by immigration policies. Russia experiences a decline in brain drain and becomes a destination for immigrants, particularly from Central Asia. Russian prosperity allows it to absorb immigrants without significant disruption or ethnic tensions.

There is increasing diversity in the post-Soviet space. Ukraine and other countries, potentially including Moldova, a post-Lukashenka Belarus, and Georgia, feel the pull of the new Europe and push for association with it through forms of 'flexible geometry.' While full membership is unlikely to be achieved, the clear path to membership and status within the Union pushes the countries to adopt internal changes due to the *acquis communautaire* and to develop more effective governance structures. Russia is tolerant of this orientation and Russia and Europe create some type of special relationship based on cooperation in a number of fields. Russian cooperation with Europe in scientific and technological fields grows. The wealthy nations of the region, including Russia and Kazakhstan, remain close to each other, but tolerant of others. Central Asia remains stable.

Scenario Two: Muddling Through

The Russian economy remains dependent upon extraction of natural resources. While this allows for economic growth, the economy does not become diversified. Russia fails to develop efficient and stable institutions of governance. Political power remains highly centralized, competition is highly circumscribed, and governmental structures are not

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transparent. There remains a tremendously inequitable distribution of wealth with a relatively small middle class. Significant elements of oligarchic structures remain intact. Foreign direct investment, outside of the energy sector, remains low and capital flight persists. Labor mobility is limited while brain drain of scientific and technical experts continues. The country's capacity to respond to demographic decline is limited, creating a long-term drag on the economy. Russia maintains a fairly strong influence within the post-Soviet space but this influence will be limited because of Russia's limited capacity to project power

Post-Soviet space experiences asymmetric heterogeneity and increasing regionalization. Ukraine faces similar difficulties to Russia and its response depends upon the potential of its admission to European institutions. To the extent that there is optimism about admission to Europe, it will follow its own path. Should the door to Europe be closed, it will move closer to Russia. Belarus remains authoritarian, with an orientation towards Russia.

Central Asia remains underdeveloped politically and economically. Russian cooperation with Kazakhstan remains strong. The Caucasus region continues to struggle both politically and economically, with ethnic tensions and the potential for democratic backsliding.

Scenario Three: Decline and Isolation

Post-Soviet space becomes united and more isolated from the rest of the world. Russia remains stable but with highly circumscribed democratic possibilities and strong limits on civil society. Nationalist rhetoric increases and xenophobic tendencies emerge. Views of a special Russian path of development grow more popular. The Russian economy stagnates. Natural resource prices fluctuate and might decline, and Russia experiences little economic diversification. Demographic challenges, including low birthrates and an aging population persist. Popular attitudes and government policies remain hostile to

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immigration, particularly from Central Asia. Economic and demographic challenges produce tremendous pressure on the economy and income inequality grows.

The difficulty of digesting new entrants into the European Union and intra-European tensions make it clear that prospects of countries from Western Eurasia joining the EU in any significant numbers are limited, resulting in a substantial inward turn. Integration within the former Soviet space grows significantly. The United States is less engaged in the region and more concerned with stability, so its role in terms of promoting democracy in Western Eurasia declines. Inter-ethnic conflict in the northern Caucasus persists, as do tensions between countries in the Caucasus region. In Central Asia, Islamic fundamentalism is on the rise in response to frustrations of the growing young population and failure to create and governmental reforms. An external shock, such as a disintegrating or civil-war torn Iraq, or the collapse of the Saudi regime, inspires more radical actions against established authoritarian regimes. Some of the Central Asian countries, such as Turkmenistan, Tajikistan, and Kyrgyzstan, face potential collapse. A power vacuum is created and the region becomes a battleground between Russia, the United States, Middle Eastern countries, and China.

Scenario Four: Central Asian Meltdown

Tensions in Central Asia brought on by authoritarian rule, high population growth, and little opportunity for unemployed and disenfranchised youth bring on rising Islamic fundamentalism. Due to US failure in Iraq and Afghanistan and more aggressive support from Middle Eastern regimes, regime collapse occurs in one country and/or an aggressive Islamic state emerges. In response, other countries become more closely integrated with Russia. Russia, with strong American support and European acquiescence, becomes an important front in a worldwide terrorism battle, and US/Russian cooperation in the security sphere deepens, particularly in response to non-traditional warfare. Russian/Kazakh cooperation deepens. Other countries of the region, such as Ukraine, benefit from Western cooperation with Russia and enjoy greater flexibility in terms of their long-term strategic choices.

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Wild Cards

A “wild card” is a significant surprise, a discreet event or occurrence that has tremendous potential to alter the future in a significant way. Examples of wild cards include: a large-scale terrorist incident; the assassination of a key leader; or a key technological breakthrough.

Some of the wild cards mentioned include the following:

- **Failed state and/or succession crisis in Central Asia.** One of these developments would have significant implications for the roles of Russia and the United States in the region, and for the potential growth of radical Islam.
- **Collapse of the regime in Belarus.** A collapse of the regime could result in absorption into Russia or a new country seeking to join Europe.
- **European crisis.** Should internal tensions, particularly related to expansion, sunder the European Union it would have significant consequences for the countries of Western Eurasia.
- **NATO membership for Ukraine/Georgia.** NATO membership could solidify these countries’ position vis-à-vis the West but could create a huge backlash within Russia spurring on anti-American and anti-Western sentiment.
- **US failure in Iraq and Afghanistan.** A total US defeat and pullout of the area could embolden regimes in the Middle East, particularly countries, like Iraq, which share ethnic affinities with groups in Central Asia, to push greater autonomy and/or Islamic fundamentalism.